

## Message Text

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ACTION AF-10

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C O N F I D E N T I A L ACCRA 6626

E.O. 11652: GDS

TAGS: ELAB, GH

SUBJ: LABOR AFFAIRS

1. SUMMARY: TRADE UNION CONFERENCE SPEAKERS CALL FOR GOOD FAITH BARGAINING AND REDUCTION OF TAXES, WHILE BEER WORKERS AND BREWERY MANAGEMENT REMAIN AT AN IMPASSE. END SUMMARY.

2. ON AUGUST 12 POLOFF TRAVELED TO COASTAL CITY OF WINNEBA TO ATTEND SECOND QUADRENNIAL DELEGATES CONFERENCE OF INDUSTRIAL AND COMMERCIAL WORKERS UNION. THE CONFERENCE WAS OFFICIALLY OPENED BY ALHAJI A.M. ISSIFU, THE SECRETARY GENERAL OF THE GHANA TRADES UNION CONGRESS, WHOSE REMARKS INCLUDED A WARNING TO GHANA INDUSTRY THAT IT CANNOT USE EXCUSES OF LACK OF LETTERS OF CREDIT OR NOT HAVING BEEN GRANTED IMPORT LICENSES FOR NOT NEGOTIATING FOR WAGE INCREASES. THIS WAS AN APPARENT REFERENCE TO SOME EMPLOYERS WHO ARE ALLEGEDLY REFUSING TO HONOR WAGE REOPENING CLAUSES IN COLLECTIVE BARGAINING AGREEMENTS ON PRETEXT NOTED ABOVE. IN SOMEWHAT DIFFERENT TONE THE CHIEF LABOR OFFICER OF THE MINISTRY OF LABOR AND SOCIAL WELFARE URGED UNIONS TO BE PATIENT AND EXHIBIT CORDIALITY DURING NEGOTIATIONS IN PRESENT STATE OF ECONOMIC WAR AND TO APPLY PRINCIPLES OF NEGOTIATIONS UNTIL PEACEFUL RESOLUTIONS ARE OBTAINED. (THIS LAST IS PROBABLE REFERENCE TO TACTICS OF STRIKING BREWERY WORKERS NOTED BELOW).

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THE GHANA EMPLOYERS ASSOCIATION EXECUTIVE DIRECTOR FRANK BANNERMAN CALLED ON THE MINISTRIES OF FINANCE AND ECONOMIC PLANNING TO REDUCE PERSONAL INCOME TAX, AND EXEMPT FRINGE BENEFITS SUCH AS BONUSES AND HOUSING ALLOWANCES FROM TAXATION AS MEANS OF BRINGING ECONOMIC RELIEF TO ALL WORKING CLASSES.

3. FOR PAST TEN DAYS BREWERY WORKERS FROM THE FOUR BREWERIES IN GHANA HAVE BEEN ON STRIKE. THEY ARE DEMANDING HIGHER WAGES. BREWERY GROUP MANAGEMENT AND WORKERS HAVE YET TO REACH SUITABLE SETTLEMENT. WHEN WORKERS WALKED OFF JOB THE COMPANIES CHARGED THAT WORKERS HAD DAMAGED BREWERY EQUIPMENT AND BREWERIES WERE COMPLETELY SHUT DOWN TO (ACCORDING TO BREWERY GROUP) PROTECT PROPERTY FROM FURTHER DAMAGE. MEANWHILE BREWERIES GROUP HAVE SAID THAT WORKERS MUST REAPPLY FOR THE JOBS FROM WHICH THEY DEPARTED AS A CONDITION FOR RETURNING TO WORK, AND THOSE WHO ARE SELECTED WOULD BE REQUIRED TO SERVE A THREE MONTH PROBATION PERIOD. THE INDUSTRIAL AND COMMERCIAL WORKERS UNION IS ADAMANTLY OPPOSED STATING THIS IS TANTAMOUNT TO A LOCKOUT AND ATTEMPT BY MANAGEMENT TO USE STRIKE TO COERCE GOVERNMENT TO GRANT IMPORT LICENSES AND LETTERS OF CREDIT. THE BREWERY GROUP MANAGEMENT ANNOUNCED THAT IT INTENDED TO RESUME PRODUCTION ON AUGUST 14; HOWEVER THE BREWERIES ARE STILL CLOSED. THE MINISTRY OF LABOR AND SOCIAL WELFARE HAS ENTERED THE NEGOTIATIONS WITH THE COMMISSIONER APPARENTLY HAVING TAKEN CHARGE.

4. COMMENT: WE SEE NO REAL CHANGES RESULTING FROM THE THREE ADDRESSES AT THE LABOR CONFERENCE. THE TUC OBVIOUSLY IS SEEKING THE STATUS OF EQUAL PARTNER WITH MANAGEMENT IN NEGOTIATIONS FOR HIGHER WAGES AND DOES NOT INTEND TO ACCEPT REFUSALS TO NEGOTIATE THAT ARE BASED ON WHAT IT CONFIDENTIAL

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CONSIDERES TO BE ESOTERIC ISSUES. WE BELIEVE THE BREWERY WORKERS AND MANAGEMENT GROUP WILL SOON REACH A SATISFACTORY SOLUTION. MEANWHILE THERE IS A CRITICAL SHORTAGE OF BEER ON THE MARKET. A BEER SHORTAGE IN GHANA IS SERIOUS AND COULD HAVE POLITICAL REPERCUSSIONS IF ALLOWED TO CONTINUE. HOLMES

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## Message Attributes

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